

THE CITY OF SAN DIEGO

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Sanders Appoints City's New CFO, Head of Public Works

Appointees part of 9 Member Leadership Team to Run City Hall

San Diego – Mayor Jerry Sanders today announced the appointment of Jay Goldstone, currently the Director of Finance for the City of Pasadena, CA as the City of San Diego's new Chief Financial Officer and Richard (Rich) F. Haas, Jr., currently the Assistant Director for the San Diego County Department of Environmental Health as the Deputy Chief for Public Works.

Goldstone and Haas join Ronne Froman (Chief Operating Officer), Jo Anne SawyerKnoll (Deputy Chief for Ethics and Integrity) and Kris Michell (Deputy Chief for Community and Legislative Services) as members of the leadership team that will run City government under the Strong Mayor system beginning January 1, 2006.

Jay Goldstone, whose official start date will be January 23, 2006, will be the City's first ever Chief Financial Officer. In that capacity, he will oversee all aspects of municipal finances including preparation of the annual budget and the issuance and management of debt. Goldstone will also oversee the City Auditor when our system of government changes at the beginning of the new year.

As the Director of Finance for the City of Pasadena, a post he assumed in January 1996, Goldstone directs all aspects of the city's financial operations including its electric and water utilities, redevelopment agency, housing authority and health department. He is responsible for

the preparation of the city's \$508 million budget as well as the investment of nearly \$400 million in city funds.

During his tenure in Pasadena, Goldstone was able to: increase the funding ratio for the city's closed public safety pension system from 31% to over 80%; obtain a credit upgrade from AA to AA+; increased the city's reserve balance from 10% to 40%; obtained clean audit opinions for 8 of the 9 years he has led the finance department; and developed the city's first five year financial plan for the general fund and several of the city's major funds. Goldstone developed a debt policy for the City of Pasadena that was sited in a FitchRatings report as a model for other debt policy.

Goldstone holds an MBA from the University of Santa Clara (1983), a Masters of Public Administration from Arizona State University (1975) and a Bachelor of Science from the University of Minnesota (1973).

Rich Haas will immediately assume his post as Deputy Chief for Public Works. Because of the immediate departure of acting Deputy City Manager Larry Gardner, Haas will assume responsibility for the entire portfolio for which Gardner is presently responsible. As part of the reorganization, Haas will eventually become responsible for core public works functions that include the City's water, wastewater, and engineering and capital projects office. A seasoned veteran in restructuring governmental processes, Haas will become a key member of the team that audits all City processes with the goal of making them more effective and efficient.

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As the County's Assistant Director of the Department of Environmental Health since April 1998, Haas has overseen the permitting, inspection and regulatory services of a wide cross-section of

facilities, ranging from restaurants to small water systems. A retired Navy captain in the Civil Engineer Corps, Haas concluded 26 years of service to the Navy in 1998.

Haas dedicated much of his career in the Navy to re-organizing processes so that they became most cost efficient for the military. During his career, he managed assignments of great complexity including: the streamlining of Naval facilities management in the San Diego region while serving as Regionalization Manager (1997-1998); overseeing all areas of planning, design, construction, maintenance and environmental issues while serving as director of facilities & environment for Commander Naval Base, San Diego (1996-1997) and director, shore installations, Commander Naval Air Force, U.S. Pacific Fleet, San Diego (1994-1996). He also served as the director of facilities and public works for Naval Air Station Miramar (1991-1993); and Director of Real Estate for U.S. Forces Korea in Seoul, Korea (1987-1989).

Haas is a Registered Professional Engineer. He holds a Masters of Science degree in Construction Management from Georgia Tech (1977) and a Bachelors of Science in Engineering from UCLA (1971).

As part of the organizational chart that Sanders has proposed for his administration, five operational units will directly provide services to the public: Public Works; Public Safety; Neighborhood Services; Customer Services; and Land Use and Economic Development. The Page 4

three remaining units will support the functions of government: the city's first ever Ethics and Integrity office; Financial Management; and Community and Legislative Services. Sanders and Froman will work with the top administrators to flesh out each unit and determine what core functions belong under each.